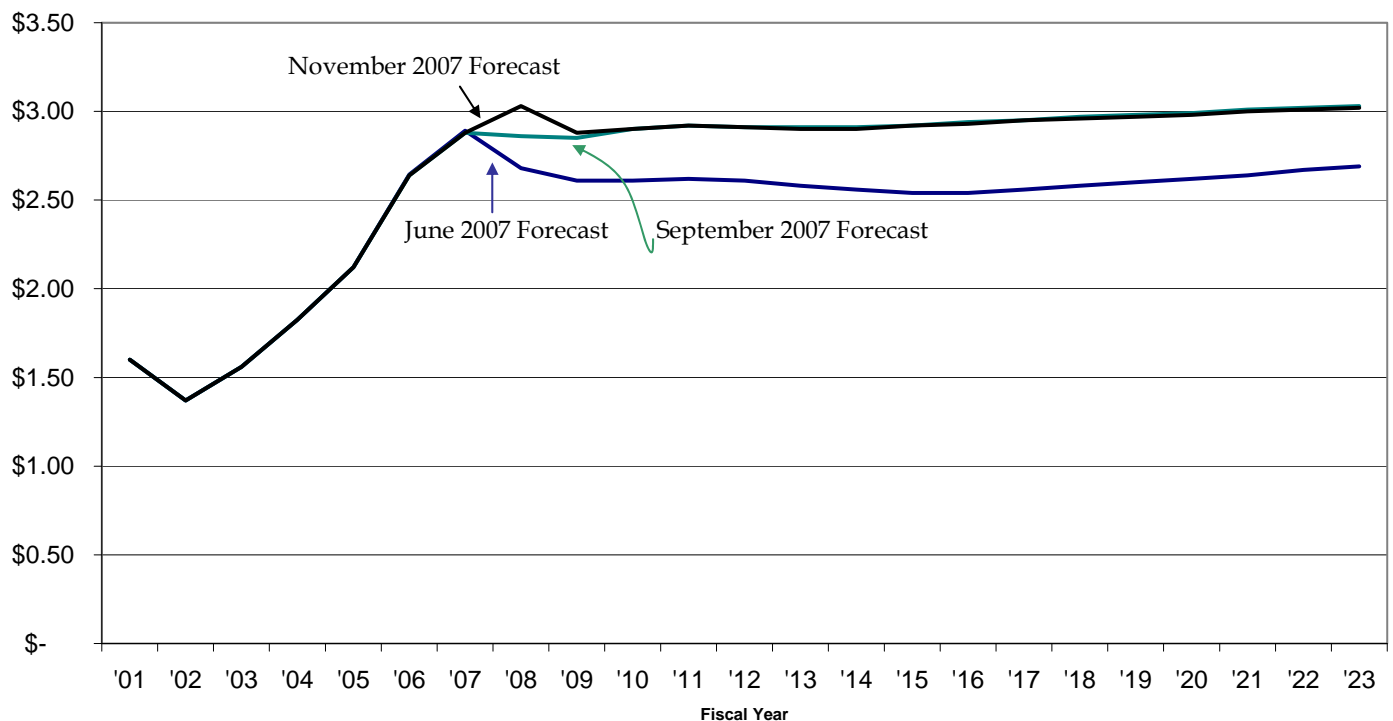


Washington State Transportation Economic & Revenue Forecast Overview

**Forecast-to-Forecast Comparison of Annual Average Gasoline Prices
Historical and Projected (Fiscal Years 2001 through 2023)**



Transportation Revenue Forecast Council • forecast adopted November 2007

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Preface

This report on the transportation economic and revenue forecasts is prepared by the Transportation Revenue Forecast Council each quarter. Questions concerning the contents of the report should be directed to:

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Washington State Transportation Economic & Revenue Forecast

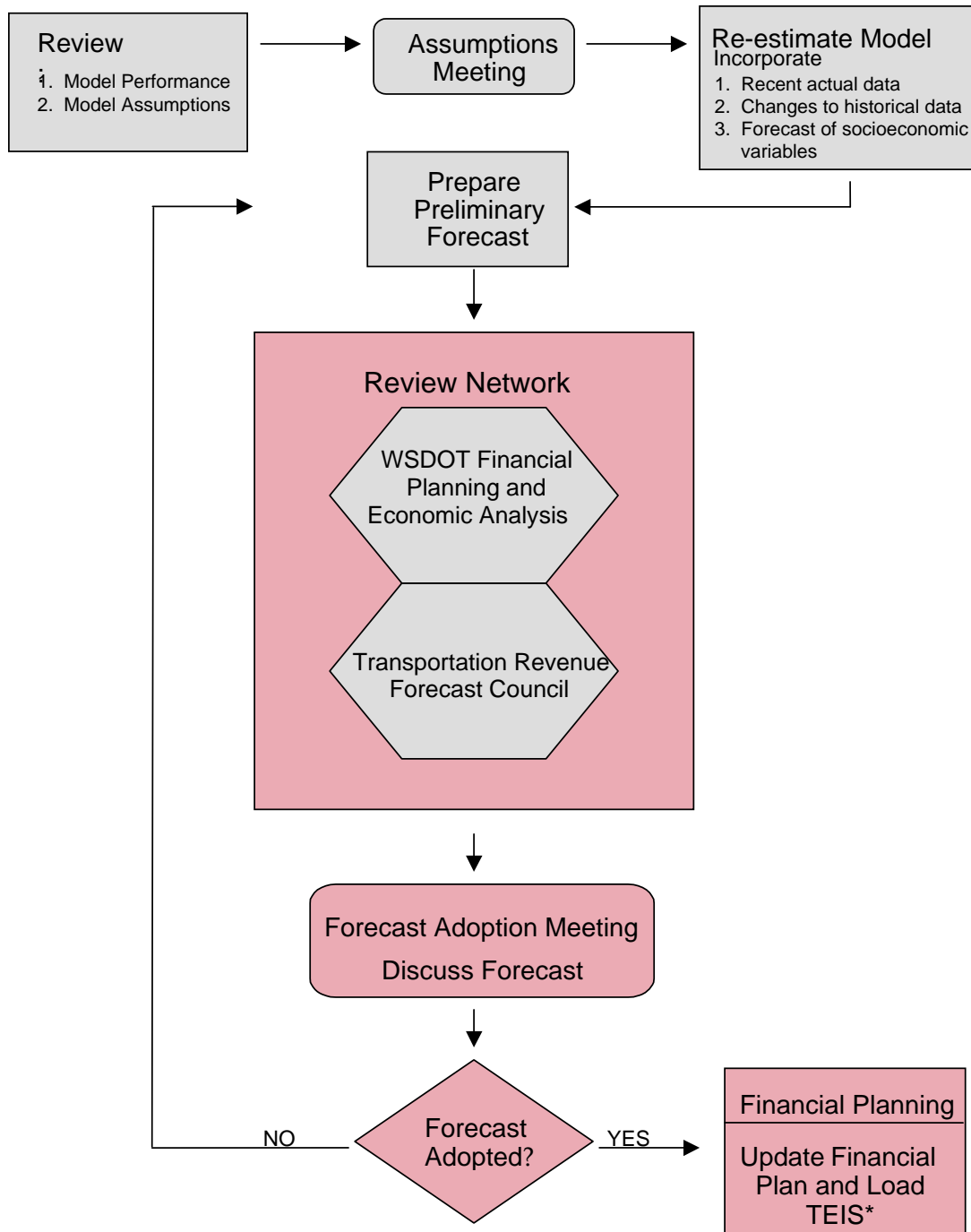
Overview for the forecast adopted November 2007

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Revenue Forecast Process and Executive Summary

Figure 1
Economic & Revenue Forecast Process Flow Chart



*Transportation Executive Information System

Forecast Process

Washington law provides statutory direction for the preparation and adoption of economic and revenue forecasts. These forecasts are used by state policy makers to assess the availability of resources for public purposes. In particular, components of the state economic and revenue forecasts are used to determine constraints on appropriations for the current biennium and budget requests and ten-year plans for ensuing biennia.

The organizations primarily responsible for revenue forecasts are the Economic and Revenue Forecast Council and the Office of Financial Management. The Economic and Revenue Forecast Council reviews and adopts many official state economic and revenue forecasts, as mandated by state law (RCW 82.33.010). This executive body is assisted by a staff organization called the Office of the Forecast Council. However, the Economic and Revenue Forecast Council and its staff do not consider certain forecasts. The Office of Financial Management has the statutory responsibility to prepare and adopt those forecasts not addressed by the Economic and Revenue Forecast Council (RCW 43.88.020(21)).

Of particular interest to this publication are the transportation revenue forecasts. The Office of Financial Management carries out its forecast responsibilities for transportation revenues through the Transportation Revenue Forecast Council (TRFC). The Forecast Council was formed as an ad-hoc group in 1976. It has since evolved into a formal body that meets to review and adopt forecasts prepared by the technical staffs of the Departments of Licensing, Transportation and the Office of Forecast Council. Each quarter, the agencies involved in the revenue forecast process follow a schedule similar to the one shown in Figure 1. The revenue forecasts agreed upon by the Transportation Revenue Forecast Council members become the official estimated revenues under RCW 43.88.020(21) for transportation-related funds.

The Transportation Revenue Forecast Council includes representatives from the following:

- Office of Financial Management
- Office of the Forecast Council
- Office of the State Treasurer
- House Transportation Committee
- Senate Transportation Committee
- Department of Licensing
- Washington State Patrol
- Washington State Department of Transportation

Executive Summary

Washington state transportation activities are funded from three sources: state revenues, bond proceeds, and reimbursements from federal and local governments. Although this publication focuses primarily on state revenue sources, federal highway apportionments are also presented. State revenue sources include:

- Motor vehicle fuel taxes
- Motor vehicle licenses, permits and fees (LPF)
- Ferry fares
- Aeronautics revenues
- Driver's licenses and other driver related licenses, permits and fees
- Rental car tax
- 0.3 percent sales tax on new and used vehicles
- Miscellaneous revenues

These revenue sources support a variety of transportation activities at the state and local level. At the state level, revenues are deposited into various treasury accounts. Under the authority of legislative appropriations, state government spends money from these accounts for the benefit of the public. At the local level, state revenue is dispersed to cities and counties through direct distributions as well as through distribution due to requests made to state agencies from local agencies.

November 2007 Forecast Highlights

Revenue Sources

The November 2007 forecast of major state transportation revenues shows total transportation revenue at more than \$3.6 billion (actuals collected) during the 2005-07 biennium and forecasts over \$4.2 billion in the 2007-09 biennium. For the 16-year planning period, 2007 to 2023, transportation revenues are projected to be \$40.6 billion. The majority of the revenue (approximately 84 percent) is comprised of motor vehicle fuel taxes and licenses, permits and fees. During the 2007-09 biennium motor vehicle fuel taxes are projected to be \$2,589 million and LPFs total \$941 million. The remaining \$697 million is made up of all the other revenue sources.

Forecast-to-Forecast Comparisons

As shown in Table 1, the November 2007 forecast for total revenues relatively unchanged, just \$2 million lower in the 2007-09 biennium when compared to what was projected in the September 2007 forecast. The 16-year revenue forecast for November 2007 is projected to be \$14 million lower than projected in September 2007.

Total Distributions

State law directs the distribution of revenue to specific accounts within the state treasury. The use of these revenues is directed by law for both state and local entities. For example, motor vehicle fuel taxes, all of which are deposited into the Motor Vehicle Account, are dedicated to highway purposes. The comparison table (Table 1, next page) shows the distributions of revenue to specific treasury accounts, for both state use and local use.

Distributions for State Uses

Distributions to state accounts decreased \$1.2 million for the 2007-09 biennium and \$12.5 million over the 16-year planning period.

Distributions for Local Uses

Forecasted transportation revenues for local uses also decreased \$4 million from the previous forecast for the 2007-09 biennium and decreased over the 16-year planning period by \$26 million.

Transportation Revenue and Distribution Forecast

November 2007

millions of dollars

Table 1									
	2005-07			Current Biennium 2007-09			16-Year Period (2007-2023)		
	Actual November 07	Change from September 07	Percent Change	Forecast November 07	Change from September 07	Percent Change	Forecast November 07	Change from September 07	Percent Change
Sources of Transportation Revenue									
Motor Vehicle Fuel Taxes	2,215	0	0%	2,589	4.5	0.2%	24,586	65.0	0.3%
Licenses, Permits and Fees	815	0	0%	941	(1.7)	-0.2%	8,477	(62.1)	-0.7%
Ferry Fares	286	0	0%	309	(1.1)	-0.4%	3,279	2.3	0.1%
Toll Revenue*	n/a	n/a	n/a	77	1.2	1.5%	1,343	10.2	0.8%
Aeronautics Revenues	6	0	0%	6	0.0	0.0%	54	(0.1)	-0.2%
Rental Car Tax	45	0	0%	49	(0.2)	-0.4%	510	(0.7)	-0.1%
Vehicle Sales Tax	73	0	0%	77	(0.2)	-0.3%	767	1.8	0.2%
Driver Licenses and Other Driver-Related Fees	154	0	0%	159	(0.2)	-0.1%	1,422	(0.5)	0.0%
Miscellaneous Revenues	40	0	0%	20	(0.5)	-2.7%	178	(1.6)	-0.9%
Total Revenues	3,634	0	0%	4,227	1.7	0.0%	40,615	14.3	0.0%
Distribution of Revenue									
Motor Fuel Tax Refunds and Transfers	86	0	0%	110	6.8	6.2%	1,102	53.1	4.8%
State Uses									
Motor Vehicle Account (108)	1,104	0	0%	1,106	2.3	0.2%	9,983	11.9	0.1%
Transportation 2003 (Nickel) Account (550)	352	0	0%	363	(0.8)	-0.2%	3,404	(4.0)	-0.1%
Transportation 2005 Partnership Account (09H)	238	0	0%	542	(1.2)	-0.2%	5,598	(7.5)	-0.1%
Multimodal Account (218)	212	0	0%	253	(0.5)	-0.2%	2,432	(6.1)	-0.2%
Special Category C Account (215)	49	0	0%	50	(0.1)	-0.2%	467	(0.3)	-0.1%
Puget Sound Capital Construction Account (099)	36	0	0%	37	(0.1)	-0.2%	340	(0.2)	-0.1%
Puget Sound Ferry Operations Account (109)	346	0	0%	377	(1.3)	-0.3%	3,924	3.0	0.1%
Tacoma Narrows Bridge Account (511)*	n/a	n/a	n/a	77	1.2	1.5%	1,343	10.2	0.8%
Aviation Account (039)	6	0	0%	6	0.0	0.0%	54	(0.1)	-0.2%
State Patrol Highway Account (081)	267	0	0%	329	(0.4)	-0.1%	3,010	(18.9)	-0.6%
Highway/Motorcycle Safety Accts. (106 & 082)	154	0	0%	159	(0.2)	-0.1%	1,422	(0.5)	0.0%
Freight Mobility Investment Account (09E)	6	0	0%	6	0.0	0.0%	48	0.0	0.0%
Air Pollution Control Account (216)	9	0	0%	4	0.0	0.5%	4	0.0	0.5%
Vessel Response Account (07C)	3	0	0%	1	0.0	0.5%	1	0.0	0.5%
Total for State Use	2,781	0	0%	3,311	(1.2)	0.0%	32,029	(12.5)	0.0%
Local Uses									
Cities	181	0	0%	196	(0.5)	-0.2%	1,824	(1.2)	-0.1%
Counties	316	0	0%	334	(2.9)	-0.9%	3,104	(23.3)	-0.7%
Transportation Improvement Board (112 & 144)	201	0	0%	206	(0.5)	-0.2%	1,913	(1.3)	-0.1%
County Road Administration Board (102 & 1116)	68	0	0%	69	(0.2)	-0.2%	643	(0.4)	-0.1%
Total for Local Use	766	0	0	806	(4.0)	-1.6%	7,484	(26.2)	-1.0%
Total Distribution of Revenue	3,634	0	0%	4,227	1.7	0.0%	40,615	14.3	0.0%

Components may not add due to rounding.

*The September 2007 forecast is the first forecast to include Tacoma Narrows Bridge toll revenue.

Discussion of Forecasts

The following discussion details the methodology used to forecast transportation revenues presented to the Transportation Revenue Forecast Council. After each methodology a brief summary of the resulting forecast is described.

For the November 2007 forecast, both the motor vehicle fuel tax and licenses, permits and fees revenue include actual data from collections to date.

Motor Fuel Forecasts

The November gasoline revenue forecast is nearly unchanged from the September forecast. The much higher long-term gasoline prices forecasted in September remain relatively unchanged although rising short-term prices in FY2008 will further dampen demand. In the long-term, demand for gasoline is reduced by lower population projections while a higher inflation forecast lowers inflation-adjusted gasoline prices. These two trends tend to offset one another in the long-term, resulting in a minimal revenue increase of only 0.1 percent over the forecast horizon.

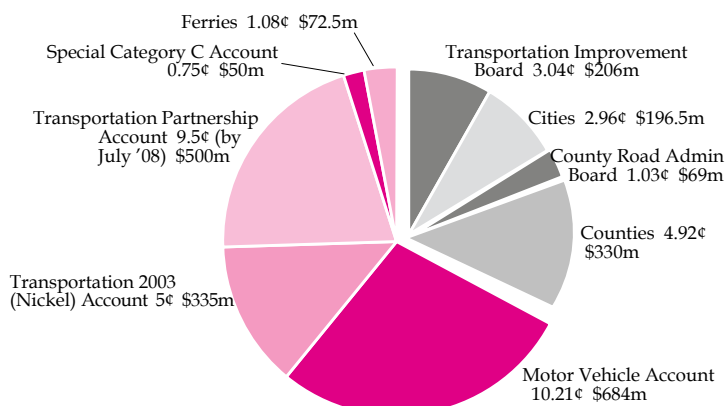
A forecast of higher real personal income for Washington from the Economic and Revenue Forecast Council results in higher gross diesel revenue throughout the forecast period. Revenue from diesel taxes is up by an average 0.9 percent over September's forecast.

Higher year-to-date non-highway refunds, especially in tribal reservation refunds, are increasing the amount of deductions subtracted from gross collections to determine net motor fuel distributions. This trend is projected to continue throughout the forecast horizon. Tribal refunds are expected to increase and change frequently as more tribes switch from per capita based tribal tax agreements to gallon based refund agreements. Administrative expenses have also been adjusted higher to reflect the actual expenses experienced to date.

Motor Fuel Tax Revenue for Distribution

The pie chart below shows the statutory distribution of funds to the various jurisdictions based on the November 2007 fuel tax revenue forecast for the 2007-2009 biennium. More detailed information regarding fuel tax distributions is shown in the table on the following page.

Figure 2
Fuel Tax Revenue for Statutory Distribution
2007-09 \$2,444 million



Components may not add due to rounding.

Motor Fuel Tax Revenue for Distribution

The 18th Amendment of the Washington State Constitution states that all fuel tax revenues are dedicated for highway purposes. Taxes collected on fuels not used on state highways are either refunded or transferred to non-transportation accounts. After paying for refunds and the cost of collection, the remaining fuel taxes are distributed to cities, counties and state accounts according to statute.

Washington State Motor Fuel Tax Revenue and Distribution

November 2007

millions of dollars

Table 2									
	2005-07	2007-09	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21	2021-23
Gross Fuel Tax Collections	2,196	2,571	2,786	2,905	3,024	3,138	3,252	3,370	3,486
Refunds and Transfers	86	110	120	128	135	142	149	156	163
Costs of Collection (108)	13	17	18	19	19	20	21	22	23
NET FUEL TAX COLLECTIONS	2,097	2,444	2,647	2,758	2,870	2,976	3,083	3,193	3,300
DISTRIBUTIONS TO STATE ACCOUNTS	1,335	1,643	1,803	1,878	1,955	2,027	2,100	2,174	2,248
Motor Vehicle Account (108): 44.387% of 23¢	669	684	721	751	781	810	839	869	898
Special Category C (215): 3.2609% of 23¢	49	50	53	55	57	60	62	64	66
Transportation 2003 (Nickel) Account: 100% of 5¢	328	335	353	368	383	397	411	426	440
Transportation 2005 Partnership Account: 83.3334% of 3¢ & 100% 2¢ and 1.5¢	218	500	600	625	651	675	699	724	748
Washington State Ferries:									
Puget Sound Ferry Operations (109): 2.3283% of 23¢	35	36	38	39	41	42	44	46	47
Puget Sound Capital Construction (099): 2.3726% of 23¢	36	37	39	40	42	43	45	46	48
Total WSF Distribution	71	72	76	80	83	86	89	92	95
DISTRIBUTIONS TO LOCAL AGENCIES & STATE ACCOUNTS SUPPORTING LOCAL AGENCY PROGRAMS	698	802	844	880	915	949	983	1,018	1,053
Direct Distribution to Cities:									
10.6961% of 23¢	161	165	174	181	188	195	202	209	217
8.3333% of 6¢	22	34	35	37	38	40	41	43	44
Less Small City Pavement Account (transfer to TIB)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)
Total Distribution	181	196	207	216	224	233	241	249	258
Direct Distribution to Counties:									
19.2287% of 23¢ to Counties RCW 46.68.090(2)(h)	290	297	312	325	338	351	364	377	389
8.3333% of 6¢ RCW 46.68.090(4)(b) and (5)(b)	22	34	35	37	38	40	41	43	44
Total Distribution	312	330	348	362	377	391	405	419	433
Transportation Improvement Board (TIB):									
Urban Arterial Trust (112): 7.5597% of 23¢	114	117	123	128	133	138	143	148	153
Transportation Improvement (144): 5.6739% of 23¢	22	87	92	96	100	104	107	111	115
Plus: Small City Pavement Account	2	2	2	2	2	2	2	3	3
Total Distribution	138	206	217	226	235	244	253	262	270
County Road Admin. Board (CRAB):									
County Arterial Preservation (186): 1.9565% of 23¢	30	30	32	33	34	36	37	38	40
Rural Arterial Trust (102): 2.5363% of 23¢	38	39	41	43	45	46	48	50	51
Total Distribution	68	69	73	76	79	82	85	88	91
NET FOR DISTRIBUTION	2,033	2,444	2,647	2,758	2,870	2,976	3,083	3,193	3,300

Fuel taxes collected at the end of each fiscal year (June 30th collections) are not distributed until the following fiscal year (July).

This causes the month of collection and distribution to be different.

Discussion of Forecasts

License, Permits, and Fees Forecast

The Licenses, Permits, and Fees (LPF) revenue forecast has over 40 vehicle registration, permit, and fee items. Of these items, the \$30 basic registration fee and the Combined Licensing Fee (CLF) compose 68 percent of revenue generated. Projected vehicle registrations are multiplied either by statutory fees or average revenue realizations to determine annual revenue estimates. Vehicles paying the \$30 fee and the CLF make up 94 percent of the registered vehicles in the State of Washington.

Vehicle registration activity and revenue collection data are available from the Department of Licensing on a monthly basis. Passenger car and truck registrations are estimated using a least-squares regression equation with Washington State real personal income serving as the predictor variable for a short-term estimate and population, 18 and over, serving as the predictor variable for the long-term. Forecasts of the minor vehicle use classes and the numerous permits and fees associated with vehicle ownership and operation are driven by historical trends, relationships among and between vehicle classifications, and the judgment of officials at the Departments of Licensing or Department of Transportation who administer the fee programs.

The November 2007 forecast shows little change from the September 2007 forecast. Vehicles paying the \$30 basic registration fee are predicted to decrease slightly due to decreased registrations of trailers. Fewer vehicles that pay the CLF will register than was predicted in September.

License, Permits, and Fees Revenue for Distribution

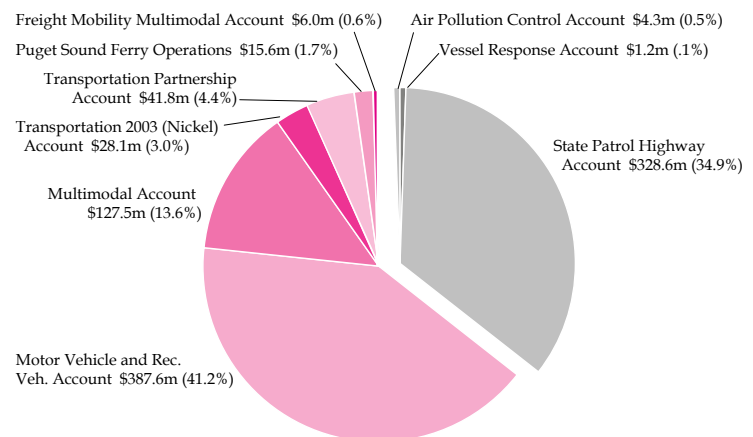
Distributions of the licenses, permits and fees revenue are set in statute. The November 2007 forecast estimates revenue of \$941 million for the 2007-09 biennium. As shown in Figure 3, Washington State Department of Transportation receives 64.5 percent of the total distribution with the Motor Vehicle Account receiving the largest

share of revenues with 41 percent and Washington State Patrol receiving the second largest amount of 34.9 percent.

The remaining 23.9 percent is distributed to the Multimodal Account, the Nickel Account, Transportation Partnership Account, Puget Sound Ferry Operations Account, Freight Mobility Multimodal Account, the Vessel Response Account, and the Air Pollution Control Account.

More detailed information on the distribution of licenses, permits, and fees can be found in Table 3 on the following page.

Figure 3
Licenses, Permits, and Fees Revenue for Distribution
2007-09 \$941 million



Components may not add due to rounding.

Washington State License, Permits, and Fees Tax Revenue and Distribution

November 2007

millions of dollars

Table 3									
	2005-07	2007-09	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21	2021-23
REVENUE FROM LICENSES, PERMITS, AND FEES									
Total LPF Collected by DOL	740	819	854	885	914	942	970	998	1,026
Total LPF Forecasted by DOL	58	108	110	116	120	120	122	125	128
Total LPF Collected by DOT	16	14	14	15	15	15	16	16	17
Total Revenue from LPFs	815	941	979	1,015	1,049	1,077	1,108	1,139	1,170
DISTRIBUTIONS OF LICENSES, PERMITS, AND FEES									
Motor Vehicle Account (108)	376	386	397	412	426	436	448	460	473
State Patrol Highway Account (081)	267	329	348	360	372	383	395	406	417
Puget Sound Ferry Operations Account (109)	15	16	16	17	17	18	18	19	20
Recreational Vehicle Account (097)	1.3	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.7
Multimodal Account (218)	93	128	133	138	142	147	151	156	160
Transportation 2003 (Nickel) Account (550)	25	28	34	36	37	38	39	39	40
Transportation Partnership Account (09H)	21	42	44	45	47	48	49	51	52
Freight Mobility Multimodal Account (11E)	6	6	6	6	6	6	6	6	6
Air Pollution Control Account (216)	9	4	0	0	0	0	0	0	0
Vessel Response Account (07C)	3	1	0	0	0	0	0	0	0
Total Distribution	815	941	979	1,015	1,049	1,077	1,108	1,139	1,170

Components may not add due to rounding.

Discussion of Forecasts

Washington State Ferry System Forecast

Department of Transportation technical staff prepare forecasts of the various revenues for the Washington State Ferries (WSF) accounts. These forecasts include estimates of the following revenue sources:

- Ferry fares (by WSDOT-supervised consultant)
- Motor vehicle fuel tax distributions to the Ferry Accounts
- Motor vehicle related licenses, permits and fees distributions
- Concessions and other miscellaneous income

These WSF revenue sources may be categorized into two general types – ferry operating revenues and tax revenue distributions. Ferry revenues, which include fares and concessions, are paid by the patrons of the ferry system. Tax revenue distributions are statutory distributions received from tax revenue sources: (a) motor vehicle fuel taxes, and (b) motor vehicle related licenses, permits and fees.

WSF revenues are deposited into two accounts; the Puget Sound Ferry Operations Account and the Puget Sound Capital Construction Account.

The fare revenue forecasts for Washington State Ferries are completed in four stages. First, monthly ridership projections by six fare categories are prepared for each route using time-series analysis methods. These monthly route-by-fare category forecasts are based on the patterns and cycles exhibited by ridership history. The forecast horizon includes the current biennium and the next seven biennia, extending out sixteen years.

The second stage of the process generates system-wide ridership projections. Econometric models combining ferry fare scenarios and statewide economic variables are used to produce system-wide unconstrained ridership forecasts by six fare categories over the forecast horizon. Within each fare category, the individual route time-series forecasts are then calibrated to the results from the econometric models.

The resulting unconstrained ridership forecasts require an additional processing step to reflect vehicle capacity constraints that may occur on several routes. Ferry service and vessel size do not necessarily increase to meet peak season demands or general traffic growth. In fact, limitations caused by a fixed number of vessels, vessel capacities, and finite dock-loading areas can and will lead to significant vehicle queues during peak times, particularly on the Fauntleroy-Vashon-Southworth, Edmonds-Kingston, Mukilteo-Clinton, and San Juan Islands routes. Capacity problems are more likely if ferry fares are not increased to keep pace with inflation, because in this case, the real cost will decline over time, thereby encouraging additional ferry travel. Consequently, the third stage of the process consists of adjusting the calibrated passenger and vehicle ridership on each route to reflect changes in service hours; seasonal vehicle capacity constraints; and/or the addition and elimination of service, net of diversion impacts on other existing routes.

Last, the appropriate fares and average fare realizations are applied to the calibrated, capacity constrained ridership forecasts for each route by fare category. This yields monthly revenue forecasts by route for six fare categories of each fiscal year of the forecast horizon.

The November 2007 WSF ridership forecasts reflect slightly higher ridership demand throughout the forecast period due to higher projections of real personal income and increased gasoline prices than projected in the September forecast.

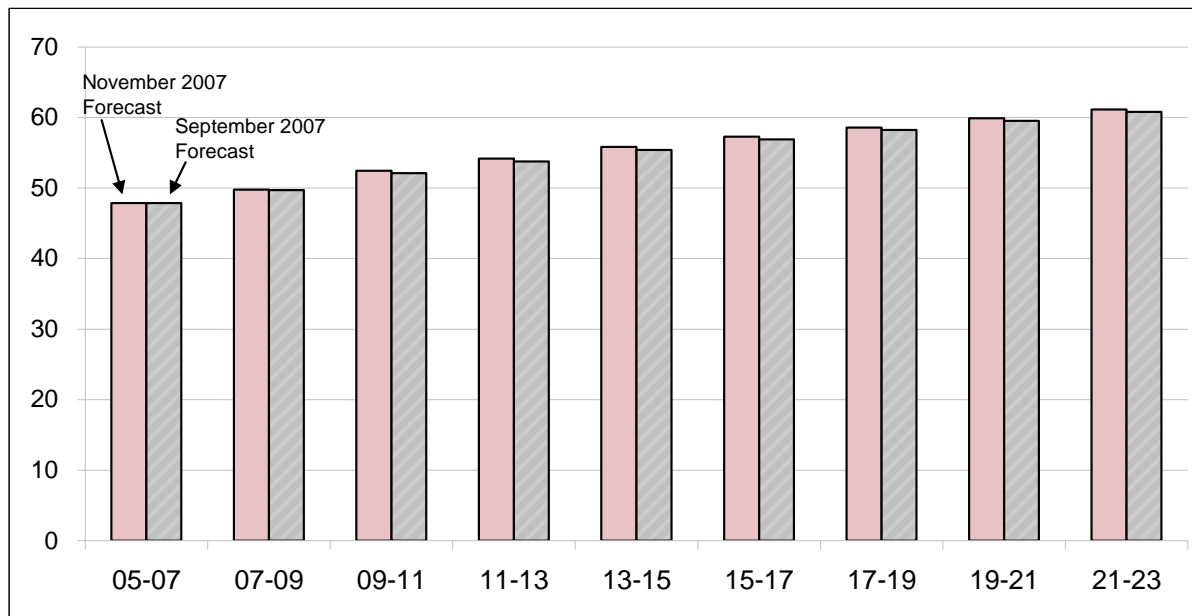
Including actual revenue through September 2007, the forecast for 2007-09 biennium revenue is projected to be \$1 million lower than in the September forecast. Thereafter, the trend continues, with a decline in revenues of \$3 million over the 16-year period.

More detailed information regarding fare revenue can be found in the following chart and on page 21 of this report.

Washington State Ferry Ridership

November 2007

millions of riders



Discussion of Forecasts

Miscellaneous Revenues Forecast

In addition to major state and federal revenues, the Transportation Revenue Forecast Council also reviews revenues from miscellaneous sources deposited into the Motor Vehicle Account. Specifically, a forecast of Motor Vehicle Account miscellaneous revenues is prepared quarterly and consists of the following components:

- Sale of property
- Publications and documents
- Filing fees and legal services
- Property management
- Washington State Patrol services (ACCESS)
- Washington State Patrol publications
- WSDOT charges for services

Forecast of Miscellaneous Revenues

Sale of Property is the most significant revenue source of the miscellaneous revenues, and is updated to reflect actual revenue collections as well as incorporate projections for upcoming property auctions within the biennium. Estimates for outer biennia projections are based upon estimates of ongoing contract sale payments, and projections for the sale of significant properties scheduled for auction. Projected revenues in outer biennia for the other miscellaneous revenues will be based on current revenues increased by the Implicit Price Deflator (IPD).

Actual miscellaneous revenue for 2005-07 was \$34 million and is forecast at \$13.4 million in 2007-09. Over the 16-year period miscellaneous revenue is forecasted to be \$107.6 million.

Forecast Changes in Miscellaneous Revenues

Total revenues for 2007-09 are projected to be \$560,000 lower than projected in the September 2007 forecast. Revenue projections for the 16-year planning period decreased \$2.3 million from the September forecast. Sale of property for the 2005-07 biennium is higher than the other biennia due to the sale of a large partial of surplus property.

Motor Vehicle Account Miscellaneous Revenue Forecast

November 2007

thousands of dollars

Table 4	2005-07		Current Biennium 2007-09		16-Year Period (2007-2023)	
	Forecast Nov 07	Chg from Sept 07	Forecast Nov 07	Chg from Sept 07	Forecast Nov 07	Chg from Sept 07
Revenue						
Sale of Property*	27,766	0	7,160	(340)	50,550	(310)
WSP Services	1,599	0	1,590	(20)	14,690	(470)
WSP Publications	472	0	480	0	4,340	(140)
DOT Services	209	0	210	(10)	1,910	(70)
Publications & Documents	417	0	410	(30)	3,850	(110)
Filing Fees & Legal Services	337	0	350	0	3,100	(110)
Property Management	1,533	0	1,520	(80)	14,060	(540)
Other Revenues	1,644	0	1,640	(80)	15,110	(540)
Total	33,977	0	13,360	(560)	107,610	(2,290)

Components may not add due to rounding.

**Revenues from the sale of property include principal and interest payments on purchase contracts (source 401).*

Transportation Revenue Forecast

Impact to Transportation Accounts

Motor Vehicle Account Revenue Forecast and Distributions

Many of the forecasted revenues discussed in the previous section are deposited into the Motor Vehicle Account—the largest transportation account. Initially all fuel tax revenues and miscellaneous revenues are deposited into this account. Net revenues that remain after statutory distributions are subject to 18th Amendment restrictions.

Forecasts of the Motor Vehicle Account Revenues and Distributions

Total revenue for the 2005-07 biennium in the Motor Vehicle Account was \$2.6 billion. Revenues increase to \$3 billion by the 2007-09 biennium and to \$4 billion by the 2021-23 biennium.

The gas tax revenues deposited in the Motor Vehicle Account are distributed by statute to other state accounts and local governments. Tables 5 and 6 show the statutory distribution of these revenues. For the 2007-09 biennium, approximately 31 percent of the gas tax revenues are distributed directly to cities and counties for local road programs. Approximately four percent of the gas tax revenue is refunded to those who paid fuel taxes but did not use the fuel on roads. The remaining gas tax revenue is for state use (\$968 million), and will be distributed to Washington State Ferries, the Transportation 2003 (Nickel) Account, the 2005 Transportation Partnership Account, and the Special Category C Account (all highway project accounts). The remaining gas tax revenues of \$705 million is added to \$388 in licenses, permits and fees revenue and \$13 million in miscellaneous revenue, totaling \$1,106 million for the Motor Vehicle Account.

Motor Vehicle Account State Revenue & Distribution Forecasts

November 2007

millions of dollars

Table 5	2005-07	2007-09	2009-11	2011-13	2013-15	2015-17	2017-19	2019-21	2021-23
Revenue									
Gross Fuel Tax Collections (Gas & Diesel)	2,215	2,589	2,791	2,910	3,029	3,143	3,258	3,375	3,491
Licenses, Permits, & Fees	377	388	398	413	428	437	449	462	474
Miscellaneous Revenue	34	13	13	14	14	13	13	13	13
Total	2,626	2,990	3,202	3,338	3,471	3,593	3,720	3,850	3,979
Distribution									
Refunds-Regular	86	110	120	128	135	142	149	156	163
Fuel Tax Distributions for Local Uses ¹	766	806	849	884	920	954	988	1,024	1,058
Fuel Tax Distributions for State Uses ²	670	968	1,094	1,139	1,186	1,230	1,274	1,320	1,364
Total	1,522	1,884	2,063	2,152	2,241	2,326	2,411	2,499	2,585
Net Revenue	1,104	1,106	1,139	1,186	1,230	1,267	1,309	1,351	1,394

Components may not add due to rounding.

¹Amounts include distributions to cities and counties and to state agencies that expend funds for the benefit of local jurisdictions, i.e. the Transportation Improvement Board and the County Road Administration Board.

²Amounts include distributions to the 2003 Transportation (Nickel), 2005 Transportation Partnership, Puget Sound Capital Construction, Puget Sound Ferry Operations, and Special Category C Accounts.

Impact to Transportation Accounts

Forecast Changes in State Motor Vehicle Account Revenues and Distributions

As shown in Table 6, total revenues in the Motor Vehicle Account increased \$3 million for the 2007-09 biennium and increased \$34 million over the 16-year horizon compared to the September forecast. Net revenues after distributions increased \$2 million in 2007-09 and \$12 million for 2007 through 2023.

Motor Vehicle Account State Revenue & Distribution Forecast to Forecast Changes

November 2007

millions of dollars

Table 6	2005-2007		Current Biennium 2007-2009		16-Year Period 2007-2023	
	Forecast Nov 07	Chg from Sept 07	Forecast Nov 07	Chg from Sept 07	Forecast Nov 07	Chg from Sept 07
Revenues						
Gross Fuel Tax Collections (Gas & Diesel)	2,215	0	2,589	4	24,586	65
Licenses, Permits, & Fees	377	0	388	(1)	3,449	(29)
Miscellaneous Revenue	34	0	13	(1)	108	(2)
Total	2,626	0	2,990	3	28,143	34
Distribution						
Refunds-Regular	86	0	110	7	1,102	53
Fuel Tax Distributions for Local Uses ¹	766	0	806	(4)	7,484	(26)
Fuel Tax Distributions for State Uses ²	670	0	968	(2)	9,574	(5)
Total	1,522	0	1,884	1	18,160	22
Net Revenue	1,104	0	1,106	2	9,983	12

Components may not add due to rounding.

¹Amounts include distributions to cities and counties and to state agencies that expend funds for the benefit of local jurisdictions, i.e. the Transportation Improvement Board and the County Road Administration Board.

²Amounts include distributions to the 2003 Transportation (Nickel), 2005 Transportation Partnership, Puget Sound Capital Construction, Washington State Ferries Operations, and Special Category C Accounts.

Impact to Transportation Accounts

Transportation 2003 (Nickel) Account Revenue Forecast

In 2003, the legislature established the Transportation 2003 (Nickel) Account in the state treasury to be the repository of the “nickel” fuel tax increase, and increases in various vehicle licenses, permits and fees. Since fuel tax receipts are deposited into this account, uses are restricted to highway purposes in accordance with the 18th Amendment to the Washington State Constitution. The “Nickel” Account was established to provide funding for a specific list of highway and ferry projects. The majority of the projects are bond financed and by 2015 the revenues in this account will be almost fully leveraged for debt service.

Forecasts of the Transportation 2003 (Nickel) Account Revenues

During the 2005-07 biennium, Nickel Account revenue collections were \$352 million and are forecast to be \$363 million in 2007-09. Deposits in this account are projected to be \$3,404 million during the 16-year planning period.

Forecast Changes in the Transportation 2003 (Nickel) Account Revenues

Forecasted total receipts in the Nickel Account decreased \$1 million in the 2007-09 biennium, and decreased \$4 million for the 16-year period from the September 2007 forecast.

The fuel tax receipts forecast decreased \$2 million over the 16-year planning period. License, Permits, and Fees decreased \$2 million for the 16-year planning period.

This change in revenue to the Transportation 2003 (Nickel) Account is due to increased fuel prices which results in decreased consumption and revenue.

Transportation 2003 (Nickel) Account Revenue Forecasts

November 2007
millions of dollars

Table 7	2005-07		Current Biennium 2007-09		16-Year Period (2007-2023)	
	Forecast Nov 07	Chg from Sep 07	Forecast Nov 07	Chg from Sep 07	Forecast Nov 07	Chg from Sep 07
Revenue						
5¢ Gas Tax	328	0	335	(1)	3,112	(2)
Licenses, Permits and Fees	25	0	28	0	291	(2)
Total	352	0	363	(1)	3,404	(4)

Components may not add due to rounding.

Impact to Transportation Accounts

Transportation Partnership Account Revenue Forecast

In 2005, the legislature established the Transportation Partnership Account in the state treasury to be the repository of the state portion of the new 9.5¢ fuel tax increases that take effect between FY 2006 and FY 2009. The tax revenues support bond sales for specific highway projects adopted by the legislature. These funds are protected by the 18th Amendment to the State Constitution and can be used only for highway purposes.

Forecasts of the Transportation Partnership Account Revenues

Tax collection began July 1, 2005. Total revenue during the 2005-07 biennium was \$238 million and is forecast at \$542 million in 2007-09. During the 16-year planning period, revenues are projected at \$5,598 million.

Forecast Changes in the Transportation Partnership Account Revenues

Total receipts in the partnership account decreased \$8 million over the 16-year period from the September 2007 forecast. Licenses, permits and fees forecast is unchanged in the near term and down \$4 million in the long term.

Transportation Partnership Account Revenue Forecasts

November 2007
millions of dollars

Table 8	2005-07		Current Biennium 2007-09		16-Year Period (2007-2023)	
	Forecast Nov 07	Chg from Sep 07	Forecast Nov 07	Chg from Sep 07	Forecast Nov 07	Chg from Sep 07
Revenue						
5¢ Gas Tax	218	0	500	(1)	5,221	(3)
Licenses, Permits and Fees	21	0	42	0	377	(4)
Total	238	0	542	(1)	5,598	(8)

Components may not add due to rounding.

Impact to Transportation Accounts

Washington State Ferry Accounts Revenue Forecast

Revenues deposited into the ferry accounts are used for operating costs and capital construction projects. Since Washington State Ferries are considered part of the Washington highway system, funds that are restricted to highway use can be deposited into ferry accounts.

Forecasts of State Ferry Account Revenues

For the 2007-09 biennium total Washington State Ferries revenues are forecast at \$414 million including \$377 million going to the Puget Sound Ferry Operations Account and the remaining \$37 million going to the Puget Sound Capital Construction Account. Total revenues for the 16-year planning period are projected to be \$4,264 million.

Forecast Changes in the State Ferry Account Revenues

Ferry fares, the primary source of funds for the Ferry Operations Account, decreased from the September 2007 forecast by \$1 million for the 07-09 biennium and increased by \$2 million over the 16-year planning period. Distributions from the licenses, permits and fees forecast were unchanged from the September 2007 forecast in the 2007-09 biennium and down \$1 million over the 16-year planning period.

Washington State Ferries Revenue Forecasts

November 2007

millions of dollars

Table 9	2005-07		Current Biennium 2007-09		16-Year Period (2007-2023)	
	Forecast Nov 07	Chg from Sep 07	Forecast Nov 07	Chg from Sep 07	Forecast Nov 07	Chg from Sep 07
Revenue						
Puget Sound Ferry Op. Acct. (109)						
Ferry Fares	286	0	309	(1)	3,279	2
Concessions & Other Revenue	6	0	7	0	70	1
Fuel Tax	39	0	46	0	435	1
LPFs	15	0	16	0	141	(1)
Subtotal	346	0	377	(1)	3,924	3
Puget Sound Cap. Const. Acct. (099)						
Fuel Tax	36	0	37	(0.1)	340	(0.2)
Subtotal	36	0	37	(0.1)	340	(0.2)
Total	382	0	414	(1)	4,264	3

Components may not add due to rounding.

Impact to Transportation Accounts

Multimodal Transportation Account Revenue Forecast

Revenues deposited into the Multimodal Transportation Account are not subject to 18th Amendment restrictions and may be used for both highway and non-highway purposes. Tax revenues deposited in the Multimodal Account are from the rental car tax (5.9 percent), sales tax on new and used vehicles (0.3 percent), \$2.00 of a \$3.00 vehicle registration filing fee, vehicle weight fees imposed in 2005 legislation, and other miscellaneous filing fees. Only those motor vehicle filing fees collected by DOL and not by county subagents are deposited in the Multimodal Account.

The Office of the Forecast Council prepares the state rental car tax forecast and the vehicle sales tax forecast. The rental car forecast methodology is based on the assumption that the level of vehicle rental is tied to the overall level of economic activity in Washington state. An econometric model is used to estimate future rental car tax receipts based upon the forecast of Washington state personal income prepared by the Office of the Forecast Council as well as past seasonal variations in receipts. The sales tax forecast is also prepared by the Office of the Forecast Council and is based upon an econometric model relating to vehicle sales in Washington state.

Forecast of Multimodal Account Revenues

Total revenues in the Multimodal Account during the 2005-07 biennium were \$212 million and are forecast to be \$253 million in the 2007-09 biennium. 16-year totals are projected at \$2,432 million.

Forecast Changes in the Multimodal Account Revenues

Licenses, permits and fees was virtually unchanged in 2007-09, and decreased \$7 million over the 16-year planning period from the September 2007 forecast.

Rental Car Tax was down \$200,000 in the 2007-09 biennium when compared to September 2007 Transportation Revenue Forecast. Over the 16-year planning period revenue from Rental Car Tax decreased \$1 million from the June 2007 forecast.

Vehicle Sales tax on new and used vehicles decreased \$200,000 in 2007-09, and increased \$2 million over the 16-year planning period.

Overall, total revenues deposited into the Multimodal Account decreased \$1 million in the 2007-09 biennium. Over the 16-year planning period, total revenue decreased by \$6 million.

Multimodal Transportation Account Revenue Forecasts

November 2007

millions of dollars

Table 10	2005-07		Current Biennium 2007-09		16-Year Period (2007-2023)	
	Forecast Nov 07	Change from Sep 07	Forecast Nov 07	Change from Sep 07	Forecast Nov 07	Change from Sep 07
Revenue						
Licenses, Permits and Fees	93	0	128	(0.1)	1,155	(7)
Rental Car Tax	45	0	49	(0.2)	510	(1)
Vehicle Sales Tax	73	0	77	(0.2)	767	2
Total	212	0	253	(1)	2,432	(6)

Components may not add due to rounding.

Impact to Transportation Accounts

Aeronautics Account Revenue Forecast

Revenues deposited into the Aeronautics Account consist of aircraft fuel tax, aircraft excise tax, aircraft dealer license fees, and the aircraft excise tax. Forecasts of aviation revenues are prepared by the Department of Transportation and the Department of Licensing.

The most significant component of the Aeronautics Account is the aircraft fuel tax forecast. This forecast is a function of three factors: the tax rate, the gallons of fuel delivered, and the gallons of fuel refunded. The actual aircraft fuel tax rate is variable and is established through a survey every six months. With the help of staff in the WSDOT Aviation Division, the weighted average retail price of private aviation fuel statewide is established. The actual tax rate is calculated as three percent of the statewide average (to the nearest one-half cent). The tax rate is forecasted by DOL using an index of the change in fuel prices nationwide. The gallons delivered are based on the projected change in the total gallons of fuel forecast by the Transportation Revenue Forecast Council. The level of tax collected and the amount anticipated to be refunded is kept at a constant percentage (currently 15 percent), based on the latest fiscal year.

Forecast of the Aeronautics Account Revenues

Revenues for aviation taxes and fees are \$5.9 million in the 2005-07 biennium, are forecast at \$6.1 million in the 2007-09 biennium and \$54.4 million over the 16-year planning period.

Forecast Changes in the Aeronautics Account Revenues

Total aviation taxes and fees for the 2007-09 biennium increased \$1,000 from the September 2007 forecast. Over the 16-year planning period, revenues show a decrease of \$113,000.

Aeronautics Account Revenue Forecasts

November 2007

thousands of dollars

Table 11	2005-07		Current Biennium 2007-09		16-Year Period (2007-2023)	
	Forecast Nov 07	Chg from Sep 07	Forecast Nov 07	Chg from Sep 07	Forecast Nov 07	Chg from Sep 07
Revenue						
Aircraft Fuel Tax	5,661	0	5,844	1	52,385	(102)
Aircraft Excise Tax	56	0	57	(0.1)	478	(3)
Aircraft Registrations	173	0	175	(0.4)	1,464	(8)
Aircraft Dealer License Fees	8	0	8	0	65	0
Total	5,899	0	6,084	1	54,391	(113)

Components may not add due to rounding.

Impact to Transportation Accounts

Highway Safety & Motorcycle Safety Education Accounts Revenue Forecast

Forecasts of revenues for the Highway Safety Account and the Motorcycle Safety Education Account are prepared by the Department of Licensing. These accounts are supported primarily from driver licensing related revenue. Forecasts include estimates of the following revenue sources.

- Revenues derived from interest on contracts
- Driver's license fees
- Copies of records
- Motor vehicle filing fees
- Commercial driver training
- Miscellaneous
- Motorcycle permits and endorsements

The forecast methodology is based on the assumption that driver's license revenue is related to the number of licenses issued during the year, employment, population, season, administrative or legislative changes, and the performance of the Washington economy relative to the nation's economy. Econometric models are used to predict the number of original and renewal driver's licenses, revenue from copies of records, motor vehicle filing fees, commercial driver training, and miscellaneous revenue. Population growth estimates provided by the Office of Financial Management are used to extend forecasts beyond when economic forecast data is available.

Forecast of the Highway Safety & Motorcycle Safety Education Accounts Forecasts

The November 2007 highway/motorcycle safety total revenues decreased \$200,000 in the 2007-09 biennium. Over the 16-year planning period the highway/motorcycle safety account decreased by \$1 million from the September 2007 forecast.

Highway Safety & Motorcycle Safety Accounts Revenue Forecasts

November 2007
millions of dollars

Table 12	2005-07		Current Biennium 2007-09		16-Year Period (2007-2023)	
	Forecast Nov 07	Chg from Sep 07	Forecast Nov 07	Chg from Sep 07	Forecast Nov 07	Chg from Sep 07
Revenue						
Highway Safety						
Driver License Fees	114	0	119	(0.3)	1,067	(0.5)
Copies of Records	32	0	32	0.1	285	0.1
Motor Vehicle Filing Fees	4	0	4	0	32	(0.2)
Other and Miscellaneous	1	0	1	(0.1)	7	(0.1)
Subtotal	151	0	155	(0)	1,392	(1)
Motorcycle Safety & Education						
Permits & Endorsements	3	0	3	0	30	0.1
Subtotal	3	0	3	0	30	0.1
Total	154	0	159	(0.2)	1,422	(1)

Components may not add due to rounding.

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Federal Funds Forecast

After state funds, the largest source of transportation revenue is federal funds. The Federal Funds forecast deals with programmatic funds distributed by the Federal Highway Administration (FHWA). Federal Funds are distributed on a federal fiscal year (FFY) basis, which begins on October 1. The September 2007 forecast is based upon the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), a \$193.1 billion federal-aid highway program nationally that was signed into law on August 10, 2005.

Recent federal budget projections (July 2006) continue to show that the Highway Trust Fund will be in deficit in 2009. With the long term outlook for continued high fuel prices, Congress may have to address this shortfall in available highway funding as early as 2008 by adding revenue or reducing spending. A National Policy and Revenue Study Commission has been tasked with recommending solutions by December 2007. In response to the revised forecast of fuel prices and the possibility of reduced federal funding, the forecast for Washington's apportionment of federal highway fund receipts has been lowered beginning in 2010.

Forecasts of Federal Revenues

The Department of Transportation (WSDOT) prepares forecasts of federal revenue apportionments. In order to prepare these forecasts, assumptions are needed. The following assumptions are made for this forecast:

- Federal fuel taxes continue at the current rate, 18.4¢ for gasoline and 24.4¢ for diesel fuel.
- Distributions to states will continue to be tied to Highway Trust Fund receipts.
- Revenue Aligned Budget Authority (RABA) assures that additional receipts to the Highway Trust Fund are dedicated to highway purposes and distributed proportionately.
- Future apportionments of highway related programmatic funds will be similar to SAFETEA-LU programs.

The forecasts of federal funds include estimates for the following programs:

Interstate Maintenance (IM) - This program funds maintenance of the Interstate System. A state's Interstate Maintenance apportionment is based on the number of lane miles, vehicle miles traveled, and commercial vehicle contributions. These factors are combined into a single weighting factor for calculating a state's share of the Interstate Maintenance Program. All of the Interstate Maintenance funds are programmed by WSDOT.

National Highway System (NHS) - This program funds rural and urban roads that are part of the National Highway System, a 163,000 mile system including the Interstate System, the defense strategic highway network and strategic highway connectors, and some urban and rural principal arterials. The National Highway System apportionment is based on a state's lane miles, vehicle miles traveled, diesel fuel consumption and lane miles per capita. These factors are combined into a single weighting factor for calculating a state's share of the National Highway System funding. In Washington state, 98 percent of the National Highway System belongs to WSDOT.

Equity Bonus Program - This program provides funding to states based on equity considerations. These include a minimum rate of return on contributions to the Highway Account of the Highway Trust Fund, and a minimum increase relative to the average dollar amount of apportionments under TEA-21. Part of the Equity Bonus funds are dedicated to six major programs and another part is flexible and can be spent anywhere in the state.

Surface Transportation Program (STP) - The Surface Transportation Program is a block grant type program that is the most flexible of all federal aid programs, allowing use for the widest array of transportation projects. The Surface Transportation Program apportionment is based on a state's lane miles, vehicle miles traveled and contributions to the Highway Account of the Highway Trust Fund. These factors are combined into a single weighting factor for calculating a state's share of the Surface Transportation Program funding.

Highway Safety Improvement Program – The Highway Safety Improvement Program is a new core Federal-aid program to achieve reductions in traffic fatalities and serious injuries on all public roads. The Highway Safety Improvement Program apportionment is based on a state's lane miles, vehicle miles traveled and number of fatalities. These factors are combined into a single weighting factor for calculating a state's share of the Highway Safety Improvement Program funding.

Railway-Highway Crossings Program – The Railway-Highway Crossings Program is a safety set-aside from each state's apportionment for the Surface Transportation Program to reduce fatalities and injuries at highway-rail grade crossings. The Railway-Highway Crossings Program apportionment is based on a state's Surface Transportation Program apportionment and the number of railway-highway crossings.

Bridge Replacement and Rehabilitation - This program funds the replacement or rehabilitation of deficient bridges (bridges that are unsafe because of structural deficiencies, physical deterioration, or functional obsolescence). The Highway Bridge Program apportionment is based on a state's relative share of the total cost to repair and replace deficient highway bridges.

Coordinated Border Infrastructure Program – This program is a new formula program that replaces a previous discretionary program. The Coordinated Border Infrastructure Program apportionment is based on a state's number of land border ports of entry, incoming commercial trucks, incoming cargo by commercial trucks and incoming personal vehicles. These factors are combined into a single weighting factor for calculating a state's share of the Coordinated Border Infrastructure Program funding.

Congestion Mitigation and Air Quality (CMAQ) - This program funds projects to improve air quality and ease congestion within ozone, carbon monoxide and particulate matter non-attainment and maintenance areas (Puget Sound, Spokane, Vancouver, Yakima, and Olympia). Appropriation of CMAQ funds is based upon air quality non-attainment status and population. The local Metropolitan Planning Organizations (MPO) distributes CMAQ funds.

Safe Routes to Schools – This program is a new formula program to enable and encourage children to walk and bicycle to school. The Safe Routes to Schools Program apportionment is based on a state's relative shares of total enrollment in primary and middle schools.

Metropolitan Planning - This program funds local transportation planning efforts including the development of the Metropolitan Transportation Plans and Transportation Improvement Programs. MPO planning funds are a 1.25 percent take down directly from each of the five major highway programs before state apportionments are made.

Recreational Trails - This program funds non-highway recreational vehicle use. The Interagency Recreation and Conservation Funding Board administers these funds in coordination with WSDOT's Highways and Local Programs Division. The Recreational Trails Program apportionment is based on an equal share to all states and a proportionate share based on non-highway recreational fuel use. These factors are combined in calculating a state's share of the Recreational Trails Program funding.

State Planning and Research - This program is funded through a two percent take down of each of the other highway programs after apportionment. Funds must be used for preliminary engineering and research.

High Priority Projects - This program provides designated funding for specific projects identified in SAFETEA-LU by Congress.

Forecast of Federal Revenue

Actual federal revenues for Washington for FFY2006 were \$576 million and \$647 million in FFY2007. The five-year (2005-2009) total projection of federal funds from (SAFETEA-LU) without the 2009 rescission of unobligated funds is \$3,099 million. The five-year projection with the rescission of funds and the projected Highway Trust Fund shortfall is \$2,906 million.

Washington's Apportionment of FHWA Programs

November 2007 Forecast

Includes RABA and Rescission Adjustments

millions of dollars

SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users											
	Chg from		Chg from		Chg from		Chg from		Forecast	Chg from	Forecast	Chg from
	Actual	Sep-07	Actual	Sep-07	Actual	Sep-07	Actual	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07
	2004		2005		2006		2007		2008		2009*	
Interstate Maintenance	105	-	88	-	88	-	98	-	97	(2)	67	-
National Highway System	117	-	98	-	97	-	113	-	110	(4)	75	-
Minimum Guarantee Flexible	27	-	-	-	-	-	-	-	-	-	-	-
Equity Bonus Flexible	-	-	7	-	2	-	14	-	13	(4)	8	-
Surface Transportation Program ¹	134	-	112	-	112	-	126	-	123	(5)	87	-
Safety Setaside ²	-	-	-	-	-	-	-	-	-	-	-	-
Enhancements Setaside	15	-	12	-	12	-	13	-	12	(0.4)	12	-
Areas Over 200,000	42	-	35	-	35	-	40	-	39	(2)	26	-
Areas Under 200,000	21	-	16	-	16	-	20	-	19	(1)	9	-
Areas Under 5,000	11	-	11	-	11	-	11	-	11	-	11	-
STP Flexible	45	-	37	-	37	-	43	-	42	(2)	28	-
Highway Safety Improvement Program ²	12	-	10	-	17	-	18	-	19	(1)	14	-
Railway-Highway Crossings ²	3	-	3	-	4	-	4	-	4	0	3	-
Bridge	125	-	148	-	145	-	153	-	153	(2)	112	-
Border Infrastructure Program	-	-	7	-	9	-	10	-	11	(0.1)	9	-
CMAQ	29	-	28	-	28	-	32	-	32	(1)	22	-
Safe Routes to Schools	-	-	1	-	2	-	2	-	3	0	2	-
MPO Planning	5	-	6	-	6	-	6	-	6	-	5	-
Recreational Trails	1	-	1	-	2	-	2	-	2	0	1	-
SPR from all Programs	11	-	10	-	10	-	11	-	11	(0.4)	8	-
Subtotal Apportionments	570	-	520	-	521	-	591	-	585	(19)	414	-
High Priority Projects	-	-	55	-	55	-	55	-	55	-	55	-
Total Apportionments	570	-	575	-	576	-	647	-	640	(19)	469	-

SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users															
	Forecast		Chg from		Forecast		Chg from		Forecast		Chg from		Forecast		Chg from	
	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07
	2010		2011		2012		2013		2014		2015					
Interstate Maintenance	88	-	89	-	90	-	91	-	93	-	94	-				
National Highway System	97	-	99	-	100	-	102	-	103	-	104	-				
Minimum Guarantee Flexible	-	-	-	-	-	-	-	-	-	-	-	-				
Equity Bonus Flexible	13	-	13	-	13	-	13	-	14	-	14	-				
Surface Transportation Program	112	-	114	-	115	-	117	-	119	-	120	-				
Safety Setaside	-	-	-	-	-	-	-	-	-	-	-	-				
Enhancements Setaside	12	-	12	-	12	-	12	-	12	-	12	-				
Areas Over 200,000	35	-	36	-	36	-	37	-	37	-	38	-				
Areas Under 200,000	16	-	16	-	17	-	17	-	18	-	18	-				
Areas Under 5,000	11	-	11	-	11	-	11	-	11	-	11	-				
STP Flexible	37	-	38	-	39	-	39	-	40	-	40	-				
Highway Safety Improvement Program	17	-	17	-	18	-	18	-	18	-	18	-				
Railway-Highway Crossings	4	-	4	-	4	-	4	-	4	-	4	-				
Bridge	146	-	148	-	151	-	153	-	155	-	157	-				
Border Infrastructure Program	12	-	12	-	12	-	12	-	12	-	12	-				
CMAQ	28	-	29	-	29	-	30	-	30	-	30	-				
Safe Routes to Schools	4	-	4	-	4	-	4	-	4	-	4	-				
MPO Planning	6	-	6	-	6	-	6	-	6	-	6	-				
Recreational Trails	2	-	2	-	2	-	2	-	2	-	2	-				
SPR from all Programs	10	-	10	-	11	-	11	-	11	-	11	-				
Subtotal Apportionments	539	-	547	-	554	-	561	-	569	-	577	-				
High Priority Projects	20	-	20	-	20	-	20	-	20	-	20	-				
Total Apportionments	559	-	567	-	574	-	581	-	589	-	597	-				

* Includes the 2009 rescission of unobligated balances of highway contract authority and the estimated shortfall in the Highway Trust Fund.

¹ Total Surface Transportation Program funds include additional funds from value pricing.

² The FFY 2004 and FFY 2005 Surface Transportation Program safety set-aside funds have been included in the respective SAFETEA-LU Highway Safety Improvement Program and Railway-Highway Crossings Program.

Washington's Apportionment of FHWA Programs

September 2007 Forecast

Includes RABA and Rescission Adjustments

millions of dollars

SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users											
	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from
	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07
	2016		2017		2018		2019		2020		2021	
Interstate Maintenance	95	-	97	-	98	-	99	-	100	-	101	-
National Highway System	106	-	107	-	108	-	110	-	111	-	112	-
Minimum Guarantee Flexible	-	-	-	-	-	-	-	-	-	-	-	-
Equity Bonus Flexible	14	-	14	-	14	-	15	-	15	-	15	-
Surface Transportation Program	122	-	123	-	125	-	126	-	128	-	129	-
Safety Setaside	-	-	-	-	-	-	-	-	-	-	-	-
Enhancements Setaside	12	-	12	-	12	-	13	-	13	-	13	-
Areas Over 200,000	39	-	39	-	40	-	40	-	41	-	41	-
Areas Under 200,000	19	-	19	-	19	-	20	-	20	-	20	-
Areas Under 5,000	11	-	11	-	11	-	11	-	11	-	11	-
STP Flexible	41	-	42	-	42	-	43	-	43	-	43	-
Highway Safety Improvement Program	19	-	19	-	19	-	20	-	20	-	20	-
Railway-Highway Crossings	4	-	4	-	4	-	4	-	4	-	4	-
Bridge	159	-	161	-	163	-	165	-	167	-	169	-
Border Infrastructure Program	12	-	12	-	12	-	12	-	12	-	12	-
CMAQ	31	-	31	-	31	-	32	-	32	-	33	-
Safe Routes to Schools	4	-	4	-	4	-	4	-	4	-	4	-
MPO Planning	6	-	6	-	6	-	6	-	6	-	6	-
Recreational Trails	2	-	2	-	2	-	2	-	2	-	2	-
SPR from all Programs	11	-	11	-	11	-	12	-	12	-	12	-
Subtotal Apportionments	584	-	591	-	598	-	605	-	611	-	618	-
High Priority Projects	20	-	20	-	20	-	20	-	20	-	20	-
Total Apportionments	604	-	611	-	618	-	625	-	631	-	638	-

SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users							
	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from	Forecast	Chg from
	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07	Nov-07	Sep-07
	2022		2023		2024		2025	
Interstate Maintenance	102	-	103	-	104	-	106	-
National Highway System	113	-	115	-	116	-	117	-
Minimum Guarantee Flexible	-	-	-	-	-	-	-	-
Equity Bonus Flexible	15	-	16	-	16	-	16	-
Surface Transportation Program	130	-	132	-	133	-	135	-
Safety Setaside	-	-	-	-	-	-	-	-
Enhancements Setaside	13	-	13	-	13	-	13	-
Areas Over 200,000	41	-	42	-	42	-	43	-
Areas Under 200,000	21	-	21	-	21	-	22	-
Areas Under 5,000	11	-	11	-	11	-	11	-
STP Flexible	44	-	44	-	45	-	45	-
Highway Safety Improvement Program	20	-	21	-	21	-	21	-
Railway-Highway Crossings	4	-	4	-	4	-	4	-
Bridge	171	-	173	-	174	-	176	-
Border Infrastructure Program	12	-	12	-	12	-	12	-
CMAQ	33	-	33	-	34	-	34	-
Safe Routes to Schools	4	-	4	-	4	-	4	-
MPO Planning	7	-	7	-	7	-	7	-
Recreational Trails	2	-	2	-	2	-	2	-
SPR from all Programs	12	-	12	-	12	-	12	-
Subtotal Apportionments	625	-	631	-	638	-	645	-
High Priority Projects	20	-	20	-	20	-	20	-
Total Apportionments	645	-	651	-	658	-	665	-

APPENDIX A: GLOSSARY AND ABBREVIATIONS

DOL

The Washington State Department of Licensing.

Elasticity

A measure describing the responsiveness of fuel consumption when the state's economic climate changes. It is a ratio comparing the percentage change in gasoline consumption to a percentage change in an economic indicator such as personal income.

E&RFC

The Washington State Economic and Revenue Forecast Council.

Fiscal Year

This refers to the state government's fiscal year. For example, Fiscal Year 2008 runs from July 1, 2007 through June 30, 2008.

Fuel Tax Refunds

Many users of gasoline and diesel fuel are exempt from the fuel tax or are eligible for a refund if the tax has been paid. Most governmental entities fall under this category as well as private users of fuels in motor vehicles off the highway system or in engines not part of a motor vehicle. In addition, there are several statutory transfers from the Motor Vehicle Fund — the sizes of which are based on studies determining the approximate quantities of automotive gasoline used in pleasure boats, ORVs, snowmobiles, and airplanes. Consequently, the State Treasurer transfers funds monthly from the Motor Vehicle Fund to various accounts that support these recreational activities.

General Fund

This is the state treasury fund from which all appropriations not supported by dedicated revenue sources are made. Currently, 65 percent of all revenues and expenditures of the state pass through the General Fund.

Implicit Price Deflator for Personal Consumption (IPD-PC)

This is a measure, over time, of price changes for goods and services. It reflects changes in the actual consumption pattern of the American consumer. The base year is 1992. The IPD-PC is used as the "inflation" index by state agencies.

Inflation

This is a measure of the rate of change of prices for goods and services. In this document, the annual rate of inflation is defined as the annual percentage change in the Implicit Price Deflator for Personal Consumption.

LPFs

Licenses, permits, and fees.

MVET

Motor Vehicle Excise Tax.

OFM

Washington State Office of Financial Management.

Personal Income

This is the sum of proprietor's income, wage and salary payments, other labor income, interest, dividends, rent and transfer payments.

Real (or Inflation-Adjusted, or Constant Dollars)

This modifier, applied to statistics for income or prices, removes the effect of inflation so that actual change can be observed. In this publication, the Implicit Price Deflator for Personal Consumption Expenditures has been used to make adjustments for inflation.

Seasonally-Adjusted

This modifier indicates that a statistical series has been corrected for patterns of excessive increase or decrease, which are characteristic of the time of year rather than an indication of underlying changes in the economy. The technique involves identifying a yearly repetitive pattern and applying this pattern to the unadjusted data series.

TIB

Transportation Improvement Board, formerly called the Washington State Urban Arterial Board.

WSDOT

Washington State Department of Transportation.

WSF

Washington State Ferries.

WSP

Washington State Patrol.

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APPENDIX B: DATA SOURCES

Fuel Efficiency or Miles Per Gallon (MPG)

Historical values are estimated by Global Insight. The Economic and Revenue Forecast Council estimate forecast values for national light vehicle fuel efficiency for the first three years and values for the remaining years are forecast by Global Insight.

Gasoline and Diesel Fuel Gallonage

Historical values are collected by the Washington State Department of Licensing. Forecast values are estimated by the Washington State Department of Transportation.

Gasoline Price (Implicit Price Deflator for Gasoline and Oil)

Historical values are published by the U.S. Department of Commerce, Bureau of Economic Analysis. Forecast values for the first three years are estimated by the Economic and Revenue Forecast Council and figures for the remaining years are extrapolated from Global Insight values.

Inflation

Historical values are published by the U.S. Department of Commerce, Bureau of Economic Analysis. Forecast values for the first three years are estimated by the Economic and Revenue Forecast Council and figures for the remaining years are extrapolated from Global Insight values.

Washington State Real Personal Income

Historical values are published by the U.S. Department of Commerce, Bureau of Economic Analysis. Forecast values for the first three years are estimated by the Economic and Revenue Forecast Council and values for the remaining years are projected at a rate that generates real per capita personal income growth of one percent per year.

Washington State Population

Historical and forecast values are published by the Forecasting Division of the Washington State Office of Financial Management, Population Estimation and Forecasting Unit.